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June 8, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A MEMORANDUM OF UNDERSTANDING WITH
THE UNITED STATES DEPARTMENT OF THE NAVY AND A
MEDICAL RESIDENCY/FELLOWSHIP AGREEMENT
WITH THE UNITED STATES AIR FORCE
(1st District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign a Memorandum of Understanding (MOU) (Exhibit I) between the United States (U.S.) Department of the Navy, Naval Medical Education and Training Command and the County of Los Angeles, to allow a Navy medical officer to receive training in Trauma/Critical Care at the LAC+USC Healthcare Network (LAC+USC), with no exchange of money between the parties, effective July 1, 2006 through June 30, 2008.
2. Approve and instruct the Director of Health Services, or his designee, to sign a Medical Residency/Fellowship Agreement (Exhibit II) between the U.S. Air Force and the County of Los Angeles, to allow an Air Force medical officer to receive training in Trauma and Surgical Critical Care at LAC+USC, with no exchange of money between the parties, effective July 1, 2006 through June 30, 2008.
3. Approve and delegate authority to the Director of Health Services, or his designee, to enter into future MOUs and medical training agreements with the various U.S. military departments (Army, Air Force, Navy, etc.), substantially similar to Exhibits I and II, with prior approval of the Office of County Counsel and the Chief Administrative Office (CAO), Risk Management.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of the recommended actions is to allow the Navy and Air Force medical officers, specifically identified in the recommended agreements, to receive clinical experience in emergency medical training in fields such as Trauma/Critical Care and

Surgical Critical Care, under the direct supervision and instruction of LAC+USC's hosting physicians. In addition, delegation of authority to the Director of Health Services to enter into substantially similar medical training agreements with the various U.S. military departments will streamline the current approval process.

FISCAL IMPACT/FINANCING:

There is no monetary payment between the parties.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

For a number of years, the County has entered into affiliation agreements with a variety of educational institutions. The agreements are intended to provide the students with observational and practical clinical experience in County facilities. The County benefits from receiving the assistance of additional personnel in the provision of patient care at no cost to the County. The County has entered into similar agreements with the U.S. Departments of the Navy, Army, and Air Force involving training in various medical fields and at various County facilities.

United States Navy and Air Force Agreements:

The term of the recommended MOU with the Navy and the agreement with the Air Force is two years, effective July 1, 2006 through June 30, 2008. The agreements may be terminated by either party by giving at least thirty (30) days prior written notice. The military medical trainees will be under the direct supervision of County physicians. The Chief Executive Officer at LAC+USC is accountable and responsible for oversight of the agreement services.

The medical trainees are also under official military orders by their respective departments assigning them to LAC+USC and are to adhere to all applicable County rules and regulations. The trainees will be provided with appropriate information regarding the County's Risk Management Program. The medical trainees will also be prohibited from receiving any payments other than their military pay and allowances. The County will provide reasonable classroom and conference rooms facilities during the training periods.

Under the provisions of the Federal Tort Claim Act, the Federal Government is liable for any negligent or wrongful acts or omissions of the Navy and the Air Force employees committed while acting within the scope of their duties. The County has committed, however, to providing County indemnification and defense coverage to the Federal Government for any trainee medical malpractice. The liability provisions of the agreements have been approved by CAO Risk Management Operations.

The U.S. Navy and Air Force require that agreements using their MOU and Agreement formats, and therefore, the MOU and the Agreement do not include the standard County provisions.

Delegated Authority:

The Department of Health Services (Department) is requesting delegated authority for the Director of Health Services to enter into future medical training agreements with various military educational

The Honorable Board of Supervisors

June 8, 2006

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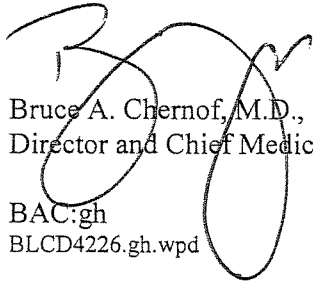
departments because these types of agreements are being requested more frequently and the military has set very short deadlines to place their medical trainees. The delegated authority will streamline the Department's approval process, as well as ensure all legal and risk management requirements are met. The agreements may vary from one another as to the specific training program and training site but will not vary as to other substantive provisions.

Attachment A provides additional information.

County Counsel has approved the agreements as to use and form.

When approved, this Department requires three signed copies of the Board action.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "BAC", is written over the printed name and title of the signatory.

Bruce A. Chernof, M.D.,
Director and Chief Medical Officer

BAC:gh
BLCD4226.gh.wpd

Attachments (3)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Clinical experience in Trauma/Critical Care and Surgical Critical Care at LAC+USC Healthcare Network.

2. AGENCY ADDRESS AND CONTACT PERSON:

Department of the Navy
Naval Medical Education and Training Command
8901 Wisconsin Avenue
Bethesda, Maryland 20889-5611
Attention: C.I. Turner, Rear Admiral
Senior Health Care Executive
Phone: (301) 319-4518

HQ AFPC/DPAME
550 C Street W, Suite 27
Randolph AFB, Texas 78150-4729
Attention: James H. Ware, Lt. Col, USAF, MSC, CHE
Associate Dean/Chief, Health Care Education Division
Civilian Institution Programs
Air Force Institute of Technology

3. TERM:

The term of the MOU and the Medical/Residency Fellowship Agreement is July 1, 2006 through June 30, 2008.

4. FINANCIAL INFORMATION:

There is no cost to the County.

5. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Pete Delgado, Chief Executive Officer
LAC+USC Healthcare Network

6. APPROVALS:

Clinical Affairs and Affiliations: William Loos, M.D. Acting Senior Medical Officer

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel: Elizabeth J. Friedman, Senior Deputy



DEPARTMENT OF THE NAVY

NAVAL MEDICAL EDUCATION AND TRAINING COMMAND
8901 WISCONSIN AVENUE
BETHESDA, MARYLAND 20889-5611

1524
Ser OG15/

MEMORANDUM OF UNDERSTANDING FOR NAVY TRAINEE
BETWEEN
NAVAL MEDICAL EDUCATION AND TRAINING COMMAND
BETHESDA, MARYLAND
AND
COUNTY OF LOS ANGELES-LAC+USC HEALTHCARE NETWORK
LOS ANGELES, CALIFORNIA

Subj: MEMORANDUM OF UNDERSTANDING

Ref: (a) BUMEDINST 7050.3A

1. This agreement is entered into by and between Naval Medical Education and Training Command, hereafter "NMETC," and the County of Los Angeles-LAC+USC Healthcare Network, Los Angeles, CA, hereafter referred to as "training institution."
2. The Administrators of the training institution have established an approved professional program that has been recognized, accredited or certified by the appropriate accrediting agencies, as applicable. The specific nature of this program is to train Lieutenant Commander Matthew P. Hannon, MC, USNR, hereinafter "the trainee," in a 2-year Trauma/Critical Care fellowship program from July 2006 to June 2008.
3. It is in the best interest of the U.S. Navy for its trainee to receive clinical experience from the training institution. This clinical experience is necessary to complete the training program and deemed invaluable to the educational preparation of Medical Department personnel of the U.S. Navy. It is to the benefit of the training institution to receive and use the trainee's clinical experience and performance.
4. The parties acknowledge and agree to the following:
 - a. While training at the training institution, the trainee will be under the supervision of facility officials for training

Enclosure (1)

Subj: MEMORANDUM OF UNDERSTANDING

purposes and will be subject to and required to abide by, all facility rules and applicable regulations, except where compliance would be inconsistent with Federal statute, regulation or any other law binding members of the U.S. Navy.

b. This program will not result in, nor is it meant to displace employees or impair existing contracts for services.

c. The number and assignment of trainees will be mutually agreed upon between NMETC and the training institution prior to the beginning of each training period. The training institution reserves the right to refuse acceptance of any trainee or bar any trainee when it is determined that further participation would not be in the best interest of the training institution.

d. The training institution will not use NMETC or the name of the trainee in any of their publicity or advertising media. However, the existence and scope of the program may be made known.

e. There will be no training expense incurred by the U.S. Navy as a result of this agreement, with the exception of necessary tuition and fees, as applicable. Additionally, the trainee assigned under this MOU receives compensation from the U.S. Navy only, and is prohibited from receiving compensation, in any form, from the training institution or any other source.

f. In the event that training institution policy requires that trainees in the same or similar programs are individually responsible for financing the cost of meetings, courses, or travel to certain clinical or nonclinical rotations, trainees may request funding from appropriate military sources via their administrative chain of command. Only those meetings, courses, or certain clinical or nonclinical rotations required and necessary for the trainee to satisfactorily complete the program will be considered.

g. It is understood and agreed that the training institution may generate bills for services rendered by the trainee. Proceeds from these bills will become the exclusive property of the training institution, and the U.S. Navy shall have no right to claims to such proceeds. Notwithstanding the above, as required by 32 Code of Federal Regulations (CFR) §199.6(a)(3), the training institution cannot bill under the TRICARE Program for the services rendered by a U.S. Navy trainee.

Subj: MEMORANDUM OF UNDERSTANDING

h. The trainee affected by this agreement, assigned to the training institution, under orders issued by the U.S. Navy, remains an employee of the United States and performs duties within the course and scope of the Federal employment. Consequently, the provisions of the Federal Tort Claims Act (title 28, USC, sections 1346(b), 2671-2680), including its defenses and immunities, will apply to allegations of negligence or wrongful acts or omissions of the trainee while acting within the scope of duties pursuant to this agreement.

i. The parties understand and agree that consistent with the Federal statute and the Federal Acquisition Regulation (FAR), the U.S. Navy trainee performing under this Agreement is not required to satisfy the State of California's temporary or permanent licensure requirements. Under the provision of 10 USC §§1094(d)(1) and (2), the U.S. Navy trainee has portability of his/her healthcare professional licenses.

(1) Specifically, 10 United States Code §§1094(d)(1) and (2) provide:

(a) Notwithstanding any law regarding the licensure of a U.S. Navy trainee, a healthcare professional described in paragraph (2), may practice the health profession or professions of the health-care professional in any State, District of Columbia, or a Commonwealth, territory, or possession of the U. S., regardless of whether the practice occurs in a healthcare facility of the Department of Defense, a civilian facility affiliated with the Department of Defense, or any other location authorized by the Secretary of Defense.

(b) A healthcare professional referred to in paragraph (1) is a member of the armed forces who:

1. Has a current license to practice medicine, osteopathic medicine, dentistry, or another health profession;

2. Is performing authorized duties for the Department of Defense.

Subj: MEMORANDUM OF UNDERSTANDING

(2) NMETC, in accordance with the requirements of 10 USC §§1094(4)(d)(1) and (2), authorizes the training location and duties of the U.S. Navy trainee at the County of Los Angeles LAC+USC Healthcare Network, as he will be performing his duties under military orders issued by the U.S. Navy.

j. Health Information Privacy. Pursuant to Department of Defense Instruction (DODINST) 6025.18, Privacy of Individually Identifiable Health Information in DoD Health Care Programs, December 19, 2002, DOD6025.18-R, and 45 C.F.R. Parts 160 and 164, the parties agree to enter into a Business Associate Agreement, Appendix A of this MOU.

5. Affiliating Institution's Responsibilities.

In addition to other provisions in this agreement, the training institution specifically agrees to:

a. Make available the clinical and related facilities needed for training.

b. Arrange schedules that will not conflict with other education programs.

c. Designate an official to coordinate trainee's clinical learning experiences. This will involve planning with faculty or staff members for the assignment of the trainee to specific clinical cases and experiences, including attendance at selected conferences, courses, and programs conducted under the direction of the training institution.

d. Provide reasonable classroom, conference, office, storage, dressing and locker room space for participating trainee.

e. Grant U.S. Navy trainee the same administrative privileges typically enjoyed by the training institution's non-military trainees.

f. Permit, on reasonable request, the inspection of clinical and related facilities by government agencies or other agencies charged with the responsibility for accreditation of the U.S. Navy's educational programs.

Subj: MEMORANDUM OF UNDERSTANDING

g. Provide emergency medical and dental treatment to the trainee while at the training institution for training. The reasonable cost of such treatment will be paid for by the U.S. Navy.

h. Training Institution agrees to provide professional liability (malpractice) coverage in amounts that are reasonable and customary in the community for the appropriate specialty, covering liability for personal injury and property damage, including legal representation and expense of defense of any such liability claims, actions or litigation, resulting from participation by the trainee or faculty under this Agreement. This coverage may come from any source, including self coverage, but shall clearly cover the trainee while participating under this Agreement at the training institution. The training institution agrees that if it intends to change such liability coverage during the tenure of this Agreement in a way that will affect the protection provided to the trainee, then the training institution will notify NMETC in writing, at least 45 days prior to the effective date of the change, specifying the change intended to be made.

i. Each party agrees not to seek indemnification from the other party or its trainee for any settlement, verdict or judgment resulting from any claim or lawsuit arising out of the performance of the trainee's professional duties while acting under the control of the training institution and its employees.

j. Furnish an annual written report evaluating trainee performance. Reports shall be directed to Commander, Naval Medical Education and Training Command (NMETC) Code 0G15, Bethesda, MD 20889-5611.

6. U.S. Navy Responsibilities.

In addition to other provisions of this agreement, NMETC specifically agrees to:

a. Ensure compliance with all training institution's rules and applicable instructions that are not inconsistent with Federal statutes, regulations or other law binding on the U.S. Navy.

b. The U.S. Navy shall be responsible for the health care and such other medical examinations and protective measures necessary for its trainee.

Subj: MEMORANDUM OF UNDERSTANDING

c. Prohibit the trainee from publishing any materials developed as a result of the training experience that have not been approved for release, in writing, by NMETC and the training institution.

7. It is expressly agreed that this written statement embodies the entire agreement of the parties regarding this affiliation, and no other agreements exist between the parties except as herein expressly set forth. Any changes or modifications to this Agreement must be in writing and be signed by both parties.

8. It is understood that the Chief, Bureau of Medicine and Surgery will have the right to terminate this affiliation agreement without notice at any time, if determined necessary to be in the interests of the Navy's mission requirements.

9. The terms of this Agreement will commence as of the date signed by both parties, and will continue until completion of training or until terminated by either party. Termination by either party will require that written notification be sent by registered mail 30 days prior to the termination date.

10. Notices to this Memorandum of Understanding will be addressed as follows:

A. Naval Medical Education and Training Command
901 Wisconsin Avenue
Bethesda, MD 20889-5611
Attention: Medical Corps Programs, Code 0G15
(301) 319-4518

B. Notice to the County shall be addressed as follows:

LAC+USC Healthcare Network
1200 North State Street
Los Angeles, California 90033
Attention: Director, Graduate Medical Education
(323) 226-6931

Department of Health Services
Contracts and Grant Division
313 North Figueroa Street, 6th Floor-East
Los Angeles, California 90012

Attention: Division Chief

Subj: MEMORANDUM OF UNDERSTANDING

C. Addresses and person to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

Date

C. I. TURNER
Rear Admiral
Senior Health Care Executive
U.S. Navy Commander
Naval Medical Education and Training Command
8901 Wisconsin Avenue
Bethesda, MD 20889-5611

Date

Director of Health Services
313 North Figueroa Street, Room 912
Los Angeles, CA 90012

APPENDIX A
BUSINESS ASSOCIATE AGREEMENT
PRIVACY OF PROTECTED HEALTH INFORMATION

1. Definitions. As used in this Appendix:

a. Business Associate has the same meaning as the term "Business Associate" in 45 CFR 160.103.

b. Covered Entity has the same meaning as the term "Covered Entity" in 45 CFR 160.103.

c. Individual has the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

d. Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

e. Protected Health Information has the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by The Business Associate from or on behalf of The Covered Entity.

f. Required by Law has the same meaning as the term "required by law" in 45 CFR 164.501.

g. Secretary means the Secretary of the Department of Health and Human Services or his/her designee.

2. Terms used, but not otherwise defined, in this Training Affiliation Agreement (TAA) shall have the same meaning as those terms in 45 CFR 160.103 and 164.501.

3. We have determined that both parties serve as employer and supervising institutions in this MOU. Consequently, in this MOU, both the employer institution and the supervising institution are Covered Entities as defined above; likewise, both the employer institution and the supervising institution are Business Associates as defined above.

4. The Business Associate agrees not to use or further disclose Protected Health Information other than as permitted or required by this TAA or as required by Law.

5. The Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this TAA.

6. The Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of Protected Health Information by the Business Associate in violation of the requirements of this TAA.

7. The Business Associate agrees to report to the Covered Entity any use or disclosure of the Protected Health Information not provided for by this TAA.

8. The Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by the Business Associate on behalf of the Covered Entity agrees to the same restrictions and conditions that apply through this TAA to the Business Associate with respect to such information.

9. The Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner designated by the Covered Entity to Protected Health Information in a Designated Record Set, to the Covered Entity or, as directed by the Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524.

10. The Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526 at the request of the Covered Entity or an Individual, and in the time and manner designated by the Covered Entity.

11. The Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by the Business Associate on behalf of, the Covered Entity, available to the Covered Entity, or at the request of the Covered Entity to the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining the Covered Entity's compliance with the Privacy Rule.

12. The Business Associate agrees to document such disclosures of Protected Health Information and information related to such

disclosures as would be required for the Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

13. The Business Associate agrees to provide to the Covered Entity or an Individual, in time and manner designated by the Covered Entity, information collected in accordance with this Appendix of the TAA, to permit the Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

14. General Use and Disclosure Provisions. Except as otherwise limited in this TAA, the Business Associate may use or disclose Protected Health Information on behalf of, or to provide services to, the Covered Entity for the following purposes, if such use or disclosure of Protected Health Information would not violate the Privacy Rule or the Department of Defense Health Information Privacy Regulation if done by the Covered Entity:

- a. When required by law or government regulation.
- b. About victims of abuse or neglect.
- c. For health oversight activities authorized by law.
- d. For judicial or administrative proceedings.
- e. For law enforcement purposes.
- f. Concerning decedents in limited circumstances.
- g. For cadaveric organ, eye, or tissue donation purposes
- h. For research involving minimal risk.
- i. To avert a serious threat to health or safety.
- j. For specialized government functions, including certain activities relating to Armed Forces personnel.
- k. For workers' compensation programs.

15. Specific Use and Disclosure Provisions

a. Except as otherwise limited in this TAA, the Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

b. Except as otherwise limited in this TAA, the Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

c. Except as otherwise limited in this TAA, the Business Associate may use Protected Health Information to provide Data Aggregation services to the Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).

d. Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR 164.502(j)(1).

16. Obligations of the Covered Entity. Provisions for the Covered Entity to Inform the Business Associate of Privacy Practices and Restrictions:

a. Upon request the Covered Entity shall provide the Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR 164.520, as well as any changes to such notice.

b. The Covered Entity shall provide the Business Associate with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect the Business Associate's permitted or required uses and disclosures.

c. The Covered Entity shall notify the Business Associate of any restriction to the use or disclosure of Protected Health Information that the Covered Entity has agreed to in accordance with 45 CFR 164.522.

17. Permissible Requests by the Covered Entity. The Covered Entity shall not request the Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except for providing Data Aggregation services to the Covered Entity and for management and administrative activities of the Business Associate as otherwise permitted by this Appendix.

18. Termination

a. Termination. A breach by the Business Associate of this Appendix, may subject the Business Associate to termination under any applicable default or termination provision of this TAA.

b. Effect of Termination.

(1) If this TAA has records management requirements, the records subject to the Appendix should be handled in accordance with the records management requirements. If this TAA does not have records management requirements, the records should be handled in accordance with paragraphs 18b(2) and 18b(3) below.

(2) If this TAA does not have records management requirements, except as provided in paragraph (3) of this section, upon termination of this TAA, for any reason, the Business Associate shall return or destroy all Protected Health Information received from the Covered Entity, or created or received by the Business Associate on behalf of the Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of the Business Associate. The Business Associate shall retain no copies of the Protected Health Information.

(3) If this TAA does not have records management provisions and the Business Associate determines that returning or destroying the Protected Health Information is infeasible, the Business Associate shall provide to the Covered Entity notification of the conditions that make return or destruction

infeasible. Upon mutual TAA of the Covered Entity and the Business Associate that return or destruction of Protected Health Information is infeasible, the Business Associate shall extend the protections of this TAA to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such Protected Health Information.

19. Miscellaneous

a. Regulatory References. A reference in this Appendix to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.

b. Survival. The respective rights and obligations of Business Associate under the "Effect of Termination" provision of this Appendix shall survive the termination of this TAA.

c. Interpretation. Any ambiguity in this Appendix shall be resolved in favor of a meaning that permits the Covered Entity to comply with the Privacy Rule.

Date

C. I. TURNER
Rear Admiral
Senior Health Care Executive
U.S. Navy
Commander
Naval Medical Education and Training Command
8901 Wisconsin Avenue
Bethesda, MD 20889-5611

Date

Director Health Services
313 North Figueroa Street, Room 912
Los Angeles, CA 90012

Contract #

**AFFILIATION AGREEMENT
FOR PHYSICIANS IN POSTGRADUATE TRAINING**

THIS AGREEMENT is made and entered into this _____ day
Of _____ 2006,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

AIR FORCE INSTITUTE OF TECHNOLOGY,
CIVILIAN INSTITUTION PROGRAMS
(hereafter "Contractor").

WHEREAS, pursuant to California Health and Safety Code Section 1441, County has established and operates, through its Department of Health Services (hereafter "DHS"), a network of County hospitals and other health facilities including the LAC+USC Medical Center; and

WHEREAS, Contractor has established a Civilian Institution Program for active duty members in the United States Air Force to receive residency/fellowship training at civilian institutions concurrently with their official Air Force duties. The contractor's office is at AFIT, Civilian Institution Programs, AFIT/ENEM, Bldg. 16, Room 120, 2275 D Street, Wright-Patterson Air Force Base, Ohio, 45433-7221; and

WHEREAS, County operates physician postgraduate training programs, and County and Contractor find it to be in their and the public's interest to have an Air Force military officer (hereafter "Resident") enrolled in postgraduate training not available within the Department of the Air Force; and

WHEREAS, it is the purpose of this Agreement to have Contractor's Resident enroll in a postgraduate training program with specialized training ; and

WHEREAS, as used in this Agreement, the following terms shall have the following meanings:

A. "Sending Party" means the party from which Resident(s) is (are) sent;

B. "Receiving Party" means the party to which Resident(s) is (are) sent;

WHEREAS, this Agreement is authorized by California Government Code Section 26227 and otherwise;

NOW, THEREFORE, Contractor and County agree as follows:

1. TERM: The term of this Agreement shall commence on the date first hereinabove written and shall continue in full force and effect through the duration of the Resident's General Surgery, Critical Care Fellowship, August 30, 2008. In any event, either party may at any time terminate this Agreement for any reason by giving at least thirty days' written notice to the other party. In the event of any interruption of either party's operations by war, fire, insurrection, labor troubles, riots, the natural elements, acts of God, or, without limiting the foregoing, any other cause beyond either party's control which substantially interferes with such party's ability to fulfill any obligation under this Agreement, such party shall immediately inform the other party and this Agreement may be terminated immediately by either party by giving written notice to the other party. In the event County loses its accreditation by the Joint Commission on Accreditation of Healthcare Organizations or accreditation of the physician postgraduate training program(s) by the Accreditation Council for Graduate Medical Education, County shall immediately inform the other party and this Agreement may be terminated immediately by either party by giving written notice to the other party. Additional termination provisions are found in Paragraphs 17 (Audit Reports), and 24 (County's Obligation for Future Fiscal Years).

2. ADMINISTRATION: The Director of DHS, or his authorized designee (hereafter collectively "Director"), shall have the authority to administer and monitor this Agreement on behalf of County. Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of Contractor. Director and Contractor may, in writing, agree from time to time among themselves regarding the policies and

procedures necessary to implement and otherwise carry out the purposes of this Agreement and shall provide copies of such writings to each other in accordance with Paragraph 32 (Notices).

Such policies and procedures shall include, but are not limited to:

- A. Procedures regarding the parties' performance under Paragraph 11 (Billing and Payment)
- B. Policies regarding Resident training hours.
- C. Policies regarding the certification of successful completion of a Resident's training, and the parties' rights and/or obligations as to submitting explanatory statements to the Accreditation Council and Graduate Medical Education, if applicable.
- D. Policies regarding the availability of each party's services (e.g., laundry, telephone, etc.) to Residents.
- E. Policies regarding the use of each party's property (e.g., stethoscopes, radio relay units, scrub suits, photo identifications, etc.) by Residents and the responsibility of Residents to return and/or account for such property.

3. SELECTION OF RESIDENTS: Sending Party shall select each participating Resident who shall meet all criteria established by Receiving Party. Sending Party's records regarding the education, training, and licensing of any participating Resident shall be furnished to Receiving Party upon request, provided that such Resident authorizes, in writing, such a release of records. Neither party shall send or receive any Resident without the prior written consent of both Director and Contractor, and such consent may be withheld by either Director and Contractor because of, among other reasons, such Resident's failure to authorize the release of Sending Party's records.

4. RESIDENT HEALTH EXAMINATIONS: Sending Party shall certify in writing that each Resident selected for participation is in good health, as evidenced by a complete health examination, including, but not limited to, immunization against communicable diseases, which is satisfactory to Receiving Party, and which is provided by Sending Party, at no cost to Receiving

Party. Sending Party shall certify in the same manner the satisfactory health status of any Resident after any absence of such Resident from participation in the training program at Receiving Party's facility caused by injury or illness before such Resident recommences participation in such training program.

5. TRAINING AND SUPERVISION: Receiving Party shall provide training and supervision of Sending Party's Resident at Receiving Party's hospital or other health facility. Such Resident shall perform physician services incident thereto for the benefit of Receiving Party's patients in the same manner as Receiving Party's own Residents under the same or similar circumstances and in a manner consistent with the normal practices Receiving Party's training program for its own Residents.

6. EMERGENCY HEALTH CARE SERVICES FOR RESIDENTS: Receiving Party shall provide emergency health services as required to Sending Party's Resident when such Resident is injured or becomes ill while on the premises of Receiving Party's facility pursuant to this Agreement but shall not be responsible for the provision of such services for any injury or illness not occurring during such time. To the extent that Sending Party or such Resident has medical insurance, workers' compensation, or other coverage which will pay Receiving Party for such services, Receiving Party shall be entitled to bill and collect payment for all services rendered pursuant to this Paragraph 6.

7. RESTRICTION, TERMINATION, AND CERTIFICATION OF RESIDENT TRAINING:

A. Restriction: Receiving Party may impose restrictions (e.g., suspension from training program, requirement of supervision, limitation of clinical activities, etc.) on the training of any of Sending Party's Residents by giving written notice of the nature and duration of such restriction to Sending Party. Receiving Party shall send written reasons for such training restriction to Sending Party within ten days after the date any such restriction is imposed. The requirement of written notice and written reasons described in this Subparagraph A shall not limit

the right of Receiving Party to impose immediate restrictions upon the clinical activities of such Residents when required in the interests of patient care.

A. Certification of Training Completion: Receiving Party shall have the right to refuse to certify that a Resident of Sending Party has successfully completed Receiving Party's training program. All certifications of successful completion of training programs and all refusals of such certifications shall be done in accordance with any policies and procedures regarding certification agreed upon pursuant to Paragraph 2 (Administration).

B. Procedures for Resident Disputes: Resolution of any dispute by any of Sending Party's Residents against Sending Party or Receiving Party as a result of any action taken by Sending Party or Receiving Party under Subparagraphs A or B above or otherwise, shall be the sole responsibility of Sending Party and shall be in accordance with the policies and procedures, if any, established by Sending Party. Upon written request of Sending Party, Receiving Party shall cooperate and assist in such resolution by providing non-confidential records or information pertinent to such dispute and otherwise as appropriate and necessary.

8. LICENSES, PERMITS, REGISTRATIONS, AND CERTIFICATES: Prior to sending any Resident to Receiving Party, Sending Party shall determine that such Resident obtains all appropriate and necessary licenses, permits, registrations, and certificates provided for under Federal, State, and local law. Sending Party shall also ensure that each such Resident maintains all such licenses, permits, registrations, and certificates in effect during such Resident's affiliation at Receiving Party's facility.

9. NONDISCRIMINATION IN SERVICES AND EMPLOYMENT: Contractor shall not discriminate in the provision of services hereunder because of race, religion, national origin, ancestry, sex, age, or physical or mental handicap, marital status or political affiliation, in accordance with all applicable requirements of Federal and State law. Contractor's employment practices and policies shall also meet all applicable Federal and State nondiscrimination requirements. This Agreement is exempt from the provisions of Chapter

4.32 of the Los Angeles County Code, pursuant to Section 4.32.040(D) thereof.

10. RESIDENT COMPENSATION: Each Resident, during his affiliation at Receiving Party's facility, shall receive his regular compensation (including all salary and other compensation and fringe benefits, except as otherwise expressly provided by other provisions of this Agreement) from Sending Party as the Resident is otherwise entitled to as a commissioned officer in the United States Air Force. Resident is prohibited from receiving a salary from the Receiving Party for his services as a Resident. This does not preclude the Receiving Party from providing benefits other than salary that are incidental to the education/training in the same manner as Receiving Party's own Residents under the same or similar circumstances and in a manner consistent with the normal practices of Receiving Party's training program for its own residents.

11. BILLING AND PAYMENT: The training under this agreement is at no cost to the Sending Party. The Receiving Party may generate bills for services rendered by the Resident and proceeds from these bills shall be the exclusive property of the Receiving Party, except that, as required by 32 C.F.R. §199.6(a)(3), the Receiving Party cannot bill under the TRICARE Program for the services rendered by the Resident.

12. INDEPENDENT CONTRACTOR STATUS: This Agreement is by and between the County of Los Angeles and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. Sending Party understands and agrees that all persons furnishing services to Receiving Party pursuant to this Agreement are, for purposes of worker's compensation liability, employees solely of Sending Party and not of Receiving Party. Sending Party Shall bear the sole responsibility and liability for furnishing workers' compensation benefits to its employees for injuries arising from or connected with this Agreement.

13. INDEMNIFICATION AND INSURANCE: The Sending Party's Resident is an

Air Force Officer training at Receiving Party's hospital or other health facility under authority of lawful orders issued by the United States Air Force. Accordingly, while performing such training, the Resident is acting within the scope of his employment with the Air Force under Federal law. The provisions of 28 United States Code, Section 2679, will immunize the Resident from individual tort liability. The parties understand that the United States shall protect the liability of the Resident only, and the United States may, in its representation of the Resident, assert any defense available under State and Federal law. Although the Resident is an Air Force Officer, for purposes of liability the Resident is a servant of the Receiving Party. This is because the Resident will be performing duties under the exclusive control and for the primary benefit of the Receiving Party. The Receiving Party shall provide, at its own expense, professional liability insurance in an amount that shall satisfy all foreseen or reasonably foreseeable claims made against the Resident as well as provide legal representation to the Resident. Receiving Party may provide such professional liability insurance through a program of self-insurance.

14. EMPLOYER OBLIGATIONS: Receiving Party shall not be, or be construed to be, the employer of Sending Party's Residents for any purpose whatsoever. Sending Party shall be solely liable and responsible for all employer obligations, if any, with respect to such Residents. Such obligations shall include, but are not limited to: payment of salary and all other compensation and fringe benefits; responsibility for Federal and State withholding taxes and Social Security taxes; compliance with and responsibility for all applicable Federal and State wage/hour obligations; unemployment benefits; disability benefits; and all other applicable taxes, benefits, and contributions to employment-related insurance and similar programs.

15. STATUS OF RESIDENTS: Notwithstanding any other provision of this Agreement, the parties agree that each Resident shall at all times remain the Resident of Sending Party. In this connection, and except as otherwise provided in Paragraph 7 (Restriction, Termination, and Certification of Resident Training), Subparagraph C (Procedures for Resident

Disputes), Sending Party's Resident shall at all times be subject to Sending Party's administrative rules, regulations, and benefits, including disciplinary actions, vacation, sick leave, health insurance, and all other rights applicable to Sending Party's employees. Each Resident shall, however, be expected to comply with all rules, regulations, and standards of Receiving Party's facility unless specifically in conflict, as mutually agreed by County and Contractor, with those to which he is subject under his contract or agreement of employment with Sending Party. The parties shall cooperate to acquaint Residents with the rules and regulations of Receiving Party's facility.

16. RECORDS: All records of each party in any way concerning the performance of this Agreement shall be available during normal business hours for inspections and audit by the other party and shall be maintained at a location in Southern California. Such records shall include, but are not limited to:

- A. daily account of the number of person-hours spent by each of Sending Party's Residents at Receiving Party's facility (e.g., Resident time cards).
- B. Resident's signature and Resident's supervisor's signature on each Resident timecard or other documentation evidencing Resident's time spent at Receiving Party.

17. AUDIT REPORTS: In the event that an audit is conducted of Contractor by a Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, and such audit results in a final report which contains information or conclusions relating to Contractor's performance of this Agreement, Contractor shall file a copy of any such audit report, or such portion thereof which is adequate to fully disclose such information or conclusions, with County's Department of Auditor-Controller within thirty days after receipt thereof. County shall make a reasonable effort to maintain the confidentiality of any such audit report. Failure of Contractor to comply with the provisions of this Paragraph 17 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

18. UNLAWFUL SOLICITATION: Contractor shall not solicit in accordance to

the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions.

19. INFORMATION FOR THIRD-PARTY PAYERS:

A. Reports: Sending party shall provide assistance to Receiving party with respect to the provision of financial and other information as may be required by the Receiving party in preparation of cost and other financial reports required by the California Office of Statewide Health Planning and Development, the California Department of Health Services, the Medicare and Medi-Cal intermediaries, and other carriers or other third-party payers requesting such information.

B. Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act)42 United States Code Section 1395x(v)(1)(I) is applicable, the parties agree that for a period of five years following the furnishing of services under this Agreement, each party shall maintain and make available, upon written request to the Secretary of the United States Department of Health and Human Services, to the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents and records of the party which are necessary to verify the nature and extent of the cost of services provided hereunder. Further, if either party carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve-month period with a related organization (as that term is defined under Federal law), such party agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

C. Rights of the Parties: This Paragraph 19 pertains solely to the maintenance and disclosure of specified records and shall have no effect on the right of the parties to make assignments.

20. CONFIDENTIALITY: Each party shall maintain the confidentiality of all records, including, but not limited to, patient records, in accordance with all applicable Federal, State and local laws, ordinances, regulations, rules, and directives, relating to confidentiality. Contractor shall inform all its Resident who may participate hereunder of the confidentiality provisions of this Agreement.

21. RESIDENT AGREEMENTS: Receiving Party may require the Resident to execute the agreement attached hereto as Exhibit A, or any similar agreement, as a condition for participation in any exchange hereunder.

22. QUALITY OF CARE REVIEW: The parties agree to cooperate to the extent reasonably necessary and practicable, as permitted by law, in coordinating quality of care review activities relating to any service provided by any Resident exchanged hereunder.

23. THIRD PARTIES: The parties understand and agree that this Agreement establishes an affiliation between the parties hereto only for the purpose of benefiting the Sending Party's Resident with specialized training and improving the Receiving Party's patient care by receiving valuable physician services from Resident incident to such specialized training hereunder and that this Agreement is not intended, and shall not be construed, as providing any rights to, or expanding any rights of, any third party, including, but not limited to, any Resident.

24. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS :
Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last County fiscal year for which funds were appropriated. County shall notify Contractor in writing of such non-allocation of funds at the earliest possible date.

25. COMPLIANCE WITH APPLICABLE LAW: Each party shall comply with all Federal, State, and local laws, ordinances, regulations, rules, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

26. GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California and venue of any action brought hereunder shall be exclusively in the State of California.

27. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

28. DELEGATION AND ASSIGNMENT: Neither party shall delegate its duties or assign its rights hereunder, or both, either in whole or in part, without the prior written consent of the other party, and any prohibited delegation or assignment shall be null and void.

29. ALTERATION OF TERMS: The body of this Agreement and Exhibit A, attached hereto and incorporated herein by reference, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees, or agents, shall be valid and effective unless made in the form of a written amendment which is formally adopted and executed by the parties in the same manner as this Agreement.

30. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act.

31. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it

fully complies with all statutes and regulations regarding the employment of aliens and others, and that all persons performing services under this Agreement are eligible for employment in the United States. Contractor represents that it has secured and retained all required documentation verifying employment eligibility of its personnel.

32. NOTICES: Notices hereunder shall be in writing and shall be personally delivered or mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the persons named. Director shall have the authority to issue all notices which are required or permitted by County hereunder. Addresses and persons to be notified may be changed by either party by giving ten days prior written notice thereof to the other party.

To Contractor:

AFIT, Civilian Institution Programs
AFIT/ENEM
2275 D Street
Wright-Patterson Air Force Base, OH 45433-7221

Attention:

James H. Ware, Lt Col, USAF, MSC, CHE
Associate Dean/Chief Health Care Education Division

To County: (1) Office of Clinical and Medical Affairs
313 No. Figueroa Street Los Angeles, CA 90012

Attention: Bruce Chernof, M.D., Director

(2) Department of Health Services Contract and Grants
Division
313 No. Figueroa Street Los Angeles, CA 90012

Attention: Division Chief

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by the County's Director of Health Services and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written

COUNTY OF LOS ANGELES

By _____
Bruce Chernof, M.D.
Director and Chief Medical Officer

AIR FORCE INSTITUTE OF TECHNOLOGY,
CIVILIAN INSTITUTION PROGRAMS
Contractor

By _____
Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM BY THE
OFFICE OF THE COUNTY COUNSEL

By _____
Elizabeth Friedman, Senior Deputy

APPROVED AS TO CONTRACT ADMINISTRATION:

Department of Health Services

By _____
Chief, Contracts and Grants Division

EXHIBIT A

AGREEMENT REGARDING PARTICIPATION IN AFFILIATED TRAINING PROGRAM

In consideration of my eligibility to participate in affiliated physician postgraduate training programs established by [Receiving] _____

Hospital and other area health facilities with residency training, I,

_____, hereby agree and consent to the following:

I acknowledge and agree that I will adhere to all policies, procedures, rules and regulations of any health facility in which I may receive training during my participation in such a training program. I agree to be bound by the procedures, if any, established by [Receiving]

Hospital to resolve any disputes, including disciplinary actions, between myself and [Receiving]

Hospital or any other health facility in which I may receive training pursuant to such a training program.

I acknowledge and agree that any health facility in which I may receive training pursuant to such a training program shall have the right to restrict or terminate my participation in such training program and/or to refuse to certify that I have successfully completed such training program. I understand that any such restriction, termination or refusal to certify shall be based upon my actions and performance during such a training program and shall be taken in accordance with any and all relevant policies and procedures of such training program.

I authorize [Receiving] _____ Hospital and any other health facility in which I may receive training pursuant to such a training program to consult at any time with the administration and members of the faculty of any health facility or other medical educational institution with which I have been associated who may have information

bearing on my professional competence, character, physical and mental health status, ethics, and other qualifications, as may reasonably be related to eligibility to perform services in such training health facilities. I hereby qualifications, as may reasonably be related to my eligibility to perform services in such training health facilities. I hereby further consent to the release by the administration of [Receiving] _____

Hospital to such other health facilities of such records and documents relating to my education and training at [Receiving] _____

Hospital as may be material to an evaluation of my professional qualifications and competence for satisfactory participation in any such health facilities' medical educational programs pursuant to such a training program. I hereby release from liability all representatives of [Receiving]

_____ Hospital and other health facilities in which I may receive training hereunder, including their respective Professional Staffs and staff representatives, for their acts performed in good faith and without malice as an incident to any communication, action, proceeding, or review undertaken pursuant to this Agreement or otherwise related to my participation in such a training program. I further expressly agree that the above releases shall apply to any act, communication, report, recommendation, or disclosure; and with respect to the named parties in whose favor such releases are given, are intended to and shall include all their officer, employees, and agents; and that, in addition to the above specific releases, such parties shall be entitled, to the fullest extent permitted by law, to absolute immunity from liability arising from any such act, communication, report, recommendation, or other disclosure. In furtherance of the foregoing, I agree that, upon request of [Receiving] _____

Hospital or any other health facility to which I may be assigned under such a training program, I will execute releases in accordance with the tenor and import of this Agreement in favor of any individual or organization specified herein.

I UNDERSTAND THAT MY EXECUTION OF THIS AGREEMENT INDICATES THAT I
HAVE READ, UNDERSTOOD, AND AGREED TO BE BOUND BY THE FOREGOING AND
BY ANY AND ALL PROVISIONS OF CALIFORNIA LAW APPLICABLE TO THE
SUBJECT MATTER ADDRESSED HEREIN.

DATE: _____

NAME _____